Utah Healthcare Delivery and Payment Reform Demonstration Projects

Status Update

May, 2010

Current Status

Three Generations, not necessarily sequential:

1. Primary focus on relationship between ***payers and providers***
2. Primary focus on relationship between ***providers and consumers***
3. Primary focus on relationship between ***consumers and employers***

Similarly defined and operationally separate models in 2010 (others will come later):

1. Acute care model, using pregnancy as the example and interchangeable for other acute care

- Singleton pregnancy
- 37 week gestation
- Non-breech presentation
- Perinatal consult included, but not transfer
- Postpartum visit and follow-up of mother

0. Blended c-section/vaginal delivery rate
0. Global fee with participating hospitals in second phase
0. No infant charges included
0. Delivery injuries and related infections included as quality measures
0. NICU stay included as quality measure

2. Chronic care model, using diabetes as the example but interchangeable for any chronic condition process Chronic Care with primary care of diabetes patients [*]

- ***Patients are defined by virtue of their diagnosis through a methodology agreed upon by the participants***
- ***Care included in the payment model is all primary care for the patients as described in***
- ***Retainer is a percentage of historical costs***
- ***Mini FFS based upon claims record encounters and encourage appropriate care***
- ***Share back is available based***

[*] Chronic care test being evaluated for congruence with federal healthcare reform plans around ACO

3. Pediatric medical home model; developed in conjunction with a CHIPRA grant

- Pediatric patients with more than one provider involved in care
- One or more chronic diseases

0. Payment model to be determined
0. Quality measures will be NCQA

4. Additional pilots are being developed between individual providers and commercial payers.

Current work progress

- Department of Insurance (DOI) and HealthInsight met in early March 2010
  - Discussed the implementation of the demonstration and at that time DOI did not see a necessity for additional rule making
  - Discussed the potential for combining the work of several groups (HealthInsight Health Plan Transparency Task Force, UHIN and DOI) around health plan transparency to avoid duplication of effort

        - Agreed to share current work progress with one another; sent the Delivery and Payment Reform White Paper
- Planning completed and reported to Interim Legislative Healthcare Task Force Fall, 2009
- Implementation preparation began in December 2009 and meeting bi-monthly with Technical Work Group to move from theoretical to practical
    - Chronic care (diabetes) project has inclusions and quality markers drafted and is working to define the feasibility of implementing the plan as developed; some modifications are likely from technical work group
    - Acute care (pregnancy) has definitions and quality markers drafted; technical work group quite comfortable with feasibility of plan

Participating payers and providers

- Began 2009 with following payers: Altius, DMBA, SelectHealth, Regence, Medicaid, PEHP; United joined in dialogue later in year
- All participated in developing the theoretical construct and committed to participate in implementation
- Technical work group consisting of Altius, Regence, SelectHealth, PEHP HealthInsight to design payment methodology and create manual system necessary for initial pilot
- Anticipate payers in phase one of demonstrations will be all of the above plus Medicaid
- Major system participants: Intermountain Healthcare, MountainStar HCA, University of Utah
    - Iasis has withdrawn while undergoing staffing changes
- Physician groups: Central Utah Clinic, UoU Family Practice and Intermountain Healthcare all very engaged
    - Technical group has begun to identify most likely providers for first phase

Access to data; APD

- HB 294 paved the way
- Office of Healthcare Statistics is in phase two pilot data
- Anticipate access to coding inclusions by mid May
- Access to historical and "real time" data is anticipated in June

Potential funding sources:

- ARRA Beacon Communities Cooperative Agreement awarded May, 2010. Large demonstration project designed to show the impact of communities working together using health information technology to connect and integrate providers, payers, consumers and employers. A small part of this funding will fund the demonstration projects, and overall will be a boon to

Utah healthcare reform. The award amount, 20% less than requested so the exact work needs to be re-defined, is $15.8M over three years

- ARRA Comparative Effectiveness grant proposal sent on March 24, 2010 would help fund the demonstration projects (Chronic and Acute) directly; announcement due in 90 days (requested $1.5M per year for three years) Funding available after September, 2010
- CHIRPRA grant funded for UPIQ to move ahead on Pediatric Medical Home (approximately $10M over several years). Final work plan being developed

Challenges:

- The current work is the most difficult encountered so far
    - Details about manual work-around for the payers are being discussed; OB will require little immediate change, diabetes covers a great deal of care and will be very resource intensive
    - Algorithms for payment methodology cannot be developed until physician groups committed and APD data (historical) validated
- Payer system change requirements could push full implementation into late 2010
- Concerns being voiced about federal healthcare reform potentially undoing any gains made in Utah
- Toll Gate Review Board has suggested looking at the potential for this project to link with the federally described Accountable Care Organizations

HealthInsight has the state contract to develop and implement demonstration projects

- Contract runs through June 2010
- Completed the requirements and reported to the Interim Task Force in October, 2009
- We hope to extend the existing contract for an additional year with additional funding